

## Analysis of Farmer's Satisfaction Level with the Cattle and Buffalo Business Insurance Program (Auts/K) in Kahu Sub-District, Bone District

Besse Rizky Fortuna<sup>1</sup>, Hastang<sup>2</sup> and dan Aslina Asnawi<sup>3</sup>

<sup>1</sup>Student, Department of Animal Science and Technology, Hasanuddin University, Makassar, South Sulawesi Province, Indonesia; <sup>2</sup>Professor, Animal Science and Technology Program, Hasanuddin University, Makassar, South Sulawesi Province, Indonesia; <sup>3</sup>Professor, Animal Science and Technology, Hasanuddin University, Makassar, South Sulawesi Province, Indonesia.

\*Corresponding authors e-mail: [hastang\\_uh@yahoo.co.id](mailto:hastang_uh@yahoo.co.id)

The Cattle and Buffalo Business Insurance Program (AUTS/K) is one of the programs provided by the government to farmers to provide protection from the risk of loss faced in the livestock business. This study aims to determine the level of farmer satisfaction and the efforts that can be made to improve farmer satisfaction with the AUTS/K program. This research was conducted from November 2022-January 2023 in Kahu District, Bone Regency. The population of this study is 34 farmers who participated in the AUTS/K program. Data collection methods began with observation and interviews using a questionnaire. The data analysis used is Importance Performance Analysis (IPA) and Customer Satisfaction Index (CSI). Research variables include the dimensions of registration, implementation, claims, and stakeholders. The results show that the farmer's satisfaction level with the AUTS/K program is highly satisfactory (82.52%). Variables that are prioritized for improvement according to the IPA Cartesian diagram, namely the attributes of ease of claim submission procedures, timeliness of claim approval, timeliness of claim disbursement, and provision of socialization by field extension officers from the livestock service office. Efforts that can be made to improve the performance of these attributes are improving and simplifying the insurance claim process, increasing the quantity and quality of field extension officers and insurance officers, and increasing socialization activities.

**Keywords:** Beef cattle, cattle and buffalo business insurance program, farmers, satisfaction.

### INTRODUCTION

The cattle business is a business sector that has the potential to be developed. Currently, cattle as livestock have the potential to be utilized in all parts of their body, be it meat, milk, or skin (Rusdiana *et al.*, 2016). However, the implementation of the cattle business is inseparable from high risks, including disease outbreaks, accidents, and childbirth that can disrupt business activities. These risks can make farmers suffer financial losses. This risk can be minimized if farmers insure their livestock. With insurance, farmers do not have to bear the full burden of loss, allowing them to continue their business even in the face of unexpected events. Overall, cattle business insurance not only protects individual farmers from financial risks but also plays an important role in maintaining the economic stability of rural communities and

supporting the development of a stronger and more sustainable agricultural sector.

The government through the Ministry of Agriculture in 2016 launched a program called Cattle and Buffalo Business Insurance (AUTS/K). This program aims to protect farmers to reduce the risk of cattle and buffalo farming (Directorate General of Agricultural Infrastructure and Facilities Implementation, 2020). The implementation of the AUTS/K program of the Ministry of Agriculture cooperates with PT Asuransi Indonesia (Jasindo). Based on (Decree of the Minister of Agriculture No. 12/Kpts/PK.240/B/04/2017, 2017) livestock insurance is an agreement between insurance companies as insurers and farmers as insureds who receive insurance premiums. The insurance company will compensate the farmer if the cow dies due to disease, accident, or childbirth in accordance with the terms and conditions of the insurance policy. One of the requirements

for farmers to be able to participate in the AUTS/K program is to pay a premium. The premium fee that needs to be paid is only 20% of the premium value that should be paid, while 80% of the premium is subsidized by the government (Prasetyo, 2022). This program not only protects farmers from losses but also encourages them to increase productivity through better livestock husbandry and business development. This is in line with government policy to increase the productivity of the agricultural sector and national livestock independence.

Cattle business insurance can be considered a viable program to help farmers. To date, the government still subsidizes the premium amount. On the other hand, in general, farmer participation in cattle business insurance is still low. Many regions have several farmers below the target set by the government (Fauziah *et al.*, 2022).

The AUTS/K program has now been implemented in various regions in Indonesia, one of which is the Bone Regency. Bone Regency is one of the regions that has a large beef cattle population and is a beef cattle development area in South Sulawesi with 423,770 heads (BPS, 2020). This is supported by environmental conditions and abundant natural resources. Therefore, the combination of favorable climatic conditions, the availability of fertile land, the knowledge of qualified farmers, and the support of the local government can help farmers increase the production capacity and welfare of beef cattle farms including the AUTS/K program.

The AUTS/K program in Bone Regency has been implemented in 17 sub-districts. Although the government has provided premium subsidies, the awareness of farmers in Bone Regency on the importance of the cattle insurance program is still low. The number of farmers participating in the Cattle and Buffalo Business Insurance program tends to decrease from year to year.

The number of farmers participating in the Cattle and Buffalo Business Insurance (AUTS/K) program tends to decrease from year to year. The highest number of farmers participating in the AUTS/K program in Bone Regency is in Kahu Sub-district. The number of farmers participating in the AUTS/K program in Kahu Sub-district in 2020 was 245 participants, in 2021 there were 170 participants, and in 2022 it was 45 participants, which means that the number of participants in the AUTS/K program in Kahu Sub-district has decreased every year. The factor that can cause a decrease in the number of participants in the AUTS/K program is the farmers' understanding of insurance, they feel that the insurance process is complicated so farmers will be interested when they see evidence of the benefits they will receive. In addition, the services provided by the implementers of the AUTS/K program to the farmers are not satisfactory or not by the expectations of the farmers so this factor can be an input to the implementers of the AUTS/K program to increase the participation of farmers in the AUTS/K program, for this reason it is necessary to know what the farmers feel after

participating in the AUTS/K program, whether they are satisfied and how much the level of satisfaction of the farmers with the AUTS/K program.

The level of farmer satisfaction with the Cattle and Buffalo Business Insurance program can be seen from how enthusiastic the community, especially the farmer community, is in participating in the cattle business insurance program. Farmers will feel satisfied if their expectations are met or will be very satisfied if their expectations are exceeded. Based on research by Sirajuddin (2022) in Selli Village, Bengo District, the level of satisfaction is a function of the difference between perceived performance and expectations. The results showed that the average farmer was not satisfied with the services of the AUTS/K program, so it is necessary to know the attributes that need to be considered so that the farmer's satisfaction with the AUTS/K program can increase. Therefore, this study aims to: 1) determine the level of farmers' satisfaction with the Cattle and Buffalo Business Insurance (AUTS/K) program; 2) the efforts that can be made to increase farmers' satisfaction with the Cattle and Buffalo Business Insurance (AUTS/K) program.

## MATERIALS AND METHODS

**Sources of data:** This research was conducted for three months, from November 2023 to January 2024. This research was conducted in Kecamatan Kahu, Kabupaten Bone, South Sulawesi. The location was selected by purposive sampling with the consideration that this location is one of the areas with the largest population participating in the Cattle and Buffalo Business Insurance Program (AUTS/K).

**Population and research sample:** The population in this study are farmers who participated in the Cattle and Buffalo Business Insurance (AUTS/K) program from 2020 to 2022 in Kahu Sub-district, namely 245 farmers spread across eight villages, namely Biru, Sanrego, Balle, Cenranae, Bontopadang, Pasaka, Hulo, and Palaka Villages. While the samples used in this study are farmers who survived for 2 years in the AUTS/K program, namely in 2020-2022 as many as 34 farmers.

**Data analysis:** This study used the following data analysis methods:

1. Importance Performance Analysis (IPA) method is an analysis method that aims to determine service user satisfaction with service providers by comparing implementation performance with the expectations of these service users. The results of the comparison between performance and expectations will obtain a level of conformity. If expectations are higher than performance, service users are not satisfied. Conversely, if the performance is higher or equal to the value of service user expectations, the service user is satisfied. This analysis makes it easier for service providers to evaluate and improve the performance



provided (Hayati *et al.*, 2013). According to Supranto (2011) the formula used is as follows:

a. Determine the level of conformity:

$$Tki = \frac{xi}{yi} \times 100\%$$

Description:

Tki = respondent's level of conformity

xi = attribute performance assessment score

yi = attribute importance assessment score

b. Determine the average of each attribute:

$$\bar{Xi} = \frac{\sum xi}{n} \quad \bar{Yi} = \frac{\sum yi}{n}$$

Description:

$\bar{Xi}$  = average score of implementation/satisfaction level;  $\bar{Yi}$  =

average score of importance level; n = number of respondents

c. Determine the average of each attribute that becomes the boundary in the cartesian diagram

$$i = \frac{\sum_{i=1}^k Xi}{K} \quad Yi = \frac{\sum_{i=1}^k Yi}{K}$$

Description:

Xi = average value of attribute performance; Yi = average value of attribute importance; K = number of attributes that can affect respondent satisfaction

After obtaining the weight of performance and importance as well as the average value of performance and importance, it is then plotted into a Cartesian diagram as follows:

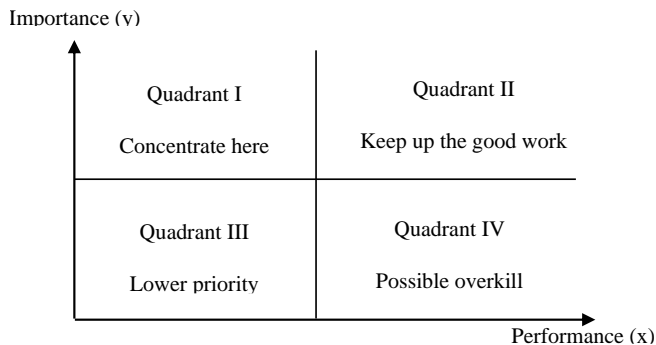


Figure 1. Cartesian Diagram.

2. Customer Satisfaction Index (CSI) is a method that uses an index to measure the level of customer satisfaction based on certain attributes. The customer satisfaction index (CSI) is a quantitative analysis in the form of a percentage of happy customers in a customer satisfaction survey. CSI is needed to determine the overall level of customer satisfaction by paying attention to the level of importance of the product or service attributes (Budhi and Sumiari, 2017). There are four steps in calculating the Customer Satisfaction Index (CSI), namely:

a. Determine the Mean Importance Score (MIS).

This value comes from the average level of importance and performance of each member:

$$MIS = \frac{\sum_{i=1}^n Yi}{n}$$

Description:

n = respondents; Yi = Importance value of the ith attribute; Xi = Performance value of i-th attribute

b. Creating Weight Factors (WF)

This weight is the percentage of MIS value per attribute to the total MIS of all attributes.

$$WF = \frac{MIS}{\sum_{i=1}^p MIS} \times 100\%$$

Description:

p = Pth importance attribute; i = ith group ability aspect attribute; Creating Weighted Score (WS)

This weight is the multiplication of the Weight Factor (WF) by the average level of satisfaction (Mean Satisfaction Score = MSS).

$$WSi = WFi \times MSSi$$

Description:

i = Attributes of the i-th group ability aspect

c. Creating Customer Satisfaction Index (CSI)

$$CSI = \frac{\sum_{i=1}^p WSi}{HS} \times 100\%$$

Description:

HS = maximum scale used

The consumer/member satisfaction scale commonly used in index interpretation is a scale of zero to one. As described below:

Table 1. Customer Satisfaction Index (CSI) value criteria.

Index value	CSI Criteria
0,81 – 1,00	Very satisfying
0,66 – 0,80	Satisfying
0,51 – 0,65	Quite satisfactory
0,35 – 0,50	Less than satisfactory
0,00 – 0,34	Unsatisfactory

## RESULTS

**Respondent characteristics:** The characteristics of respondents in this study include age, gender, education level, farming experience, and number of livestock. The characteristics of respondents in this study are discussed based on age, gender, education level, length of farming, and number of livestock. Most farmers in this study are in the age range of 26-61 years old and are in productive age. The characteristics of respondents based on gender were dominated by men because conducting livestock farming requires significant energy and physical strength and is considered heavy work. Based on the level of education, most farmers are at the junior high school level, and most farmers have low education. If education is low, it is difficult to apply the Cattle and Buffalo Business Insurance (AUTS/K) program because the mindset is narrower so the ability to apply innovations is more limited. Characteristics based on



the length of time of livestock breeding show that most farmers have been in the livestock business for more than 10 years, with the majority in the range of 11-18 years.

**Table 2. Respondent characteristic.**

Respondent Characteristic	Criteria	Frequency	Percentage (%)
Age (year)	26-34	8	7.8
	35-43	30	29.4
	44-52	38	37.3
	53-61	26	25.5
Gender	Male	95	93.1
	Female	7	6.9
Education Level	Elementary school	17	16.7
	Junior high school	51	50.0
	Senior high school	25	24.5
	Scholar	9	8.8
Length of time raising livestock (years)	3-10	45	44.1
	11-18	46	45.1
	19-26	11	10.8
Number of livestock (head)	1-2	70	68.6
	3-4	29	28.4
	5-6	2	2.0
	7-8	1	1.0

Source: Primary data processed, 2024

This indicates that farmers have sufficient experience in raising cattle. Characteristics based on the number of livestock shows that the majority of farmers have a relatively small number of livestock ownership, namely only 1-2 heads, then 3-4 heads, 5-6 heads, and 7-8 heads. Thus, it can be concluded that the livestock owned by beef cattle farmers in Kahu Sub-district is still small-scale, dominated by the scale of ownership of 1-2 heads. This is because farmers keep cattle only as a part-time job from their main job, which is as a farmer. **Importance Performance Analysis (IPA) method:** The level of conformity between importance and performance is the percentage comparison between the performance assessment score and the importance assessment score. The performance assessment score is obtained from the farmers' assessment of the AUTS/K program. Meanwhile, the assessment score is obtained from the breeder's assessment of expectations or desires for the AUTS/K program. The percentage of conformity level based on the importance and performance attributes of the AUTS/K program can be seen in Table 3.

The total score of the suitability level of importance and performance level is obtained by dividing the average value of the average of each statement so that later the average value of importance will be obtained as the vertical axis (y) and the average performance as the horizontal axis (x) as a cut-off

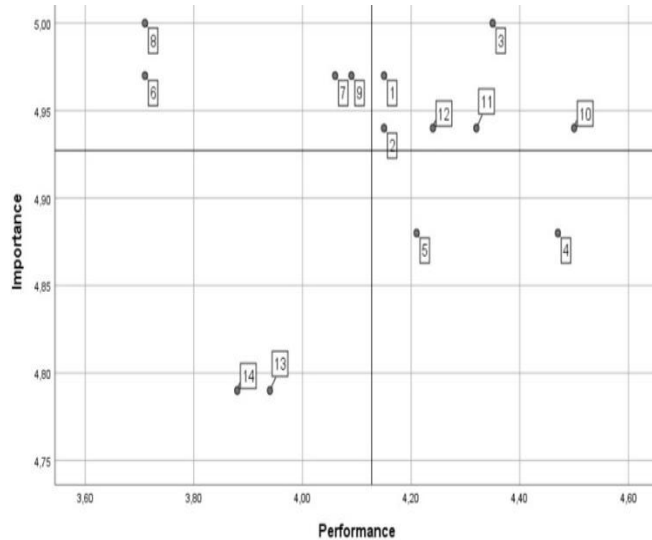
**Table 3. Level of conformity of interests and performance.**

Dimensions	Attribute	Total Importance (y)	Total Performance (x)	Suitability Level (%)	Average Importance (y)	Average Performance (x)
Registration	1. Requirements to become an AUTS/K participant	169	141	83.4	4.97	4.15
	2. Ease of AUTS/K registration	168	141	83.9	4.94	4.15
Implementation	3. Risk coverage provided by AUTS/K program	170	148	87.1	5.00	4.35
	4. The amount of AUTS/K premium fee	166	152	91.6	4.88	4.47
	5. The amount of premium assistance provided by the government	166	143	86.1	4.88	4.21
Claim	6. Ease of claim submission procedure	169	126	74.6	4.97	3.71
	7. Timeliness of claim approval	169	138	81.7	4.97	4.06
	8. Timeliness of claim disbursement	170	126	74.1	5.00	3.71
Stakeholder	Livestock Office; Field Extension Officer (FEO)					
	1. Provide AUTS/K socialization well	169	139	82.2	4.97	4.09
	2. Provide assistance with registration and claim services	168	153	91.1	4.94	4.50
	Veterinarian					
	3. Conduct periodic livestock inspection	168	147	87.5	4.94	4.32
	4. Make a good report of cattle death	168	144	85.7	4.94	4.24
	Insurance Services Indonesia					
	5. Provide clear guidance and direction	163	134	82.2	4.79	3.94
	6. Provide information and services regarding insurance registration and renewal properly.	163	132	81.0	4.79	3.88
	<b>Average</b>			<b>83.7</b>	<b>4.93</b>	<b>4.13</b>

Source: Primary data processed, 2024



point into the Importance Performance Analysis (IPA) cartesian diagram. Each attribute that already has an average value of x and y will be distributed into the cartesian diagram according to the coordinate value. The average importance value of 4.92 will be the y cut point and the average performance value of 4.68 will be the x cut point. The cartesian diagram can be seen in Figure 2:



**Figure 2. Cartesian diagram of farmers who survive the AUTS/K program.**

**Description:**

1. Requirements to become an AUTS/K participant
  2. Ease of AUTS/K registration
  3. Risk coverage provided by AUTS/K program
  4. The amount of the premium fee for AUTS/K
  5. The amount of premium assistance provided by the government
  6. Ease of AUTS/K claim submission procedure
  7. Timeliness of AUTS/K claim approval
  8. Timeliness of AUTS/K claim disbursement
  9. Field Extension Officer; provides good socialization of AUTS/K
  10. Field Extension Officer; assist in registration and claim services
  11. Veterinarians; conduct regular livestock examinations
  12. Veterinarians; Prepare death certificate properly
  13. Insurance Services Indonesia; providing guidance and direction clearly
  14. Insurance Services Indonesia; providing information and services regarding insurance registration and renewal well
- According to [Ye et al. \(2024\)](#) the analysis of all attributes is directly spread across each quadrant, so the results presented are clear and easy to understand. This is useful for researchers in determining important factors that need to be improved quickly and effectively. Quadrant I (key improvement region)

contains attributes that are important to clients but at a relatively low level of performance. These attributes are referred to as significant weaknesses that must be addressed immediately for improvement. This quadrant is considered a key improvement area and is considered capable of indicating key improvement gaps. Quadrant II (opportunity region) is an area that represents a high level of importance and performance. Attributes in this quadrant provide key opportunities needed to build or maintain a competitive advantage. Quadrant III (delayed improvement region) with low performance and importance, Quadrant III indicates that no improvement is required to some extent. The attributes in this quadrant are referred to as minor weaknesses, thus, they do not require considerable priority for improvement. This is referred to as the pending improvement region. Quadrant IV (superior region) shows high performance but low importance and includes characteristics that are less important to the client; however, the organization seems to put too much emphasis on the relevant items in this quadrant to deliver a high level of performance. In this case, the organization should move resources from this quadrant to other quadrants that require improved performance. Therefore, the second quadrant is considered an area of opportunity.

**Customer Satisfaction Index (CSI) method:** Customer Satisfaction Index (CSI) is a level or measure of overall customer satisfaction based on certain perceived and expected attributes. This CSI method is needed to determine the overall level of customer satisfaction by considering the level of significance of product or service attributes ([Selica et al., 2023](#)). These attributes need to be improved by the implementers of the Cattle and Buffalo Business Insurance program so that these attributes can increase farmer satisfaction. Improvements to attributes obtained from IPA are expected to increase the CSI value to 100%.

The results of the Customer Satisfaction Index (CSI) calculation can be seen in Table 4:

**Table 4. Calculation Results of Customer Satisfaction Index (CSI) method.**

Attribute	Average Importance (MISi)	Weighted Factor (WF)	Average Performance (MSSi)	Weighted Score (WS)
A1	4.97	7.20	4.15	29.87
A2	4.94	7.16	4.15	29.70
A3	5.00	7.25	4.35	31.54
A4	4.88	7.08	4.47	31.63
A5	4.88	7.08	4.21	29.76
A6	4.97	7.20	3.71	26.70
A7	4.97	7.20	4.06	29.24
A8	5.00	7.25	3.71	26.85
A9	4.97	7.20	4.09	29.45
A10	4.94	7.16	4.50	32.23
A11	4.94	6.95	4.32	30.96
A12	4.94	6.95	4.24	30.33
A13	4.79	7.16	3.94	27.38





A14	4.79	7.16	3.88	26.97
Total	416.62			
CSI (total WS /likert scale maximum score) x 100% = 82.52%				

Source: Primary data processed, 2024.

## DISCUSSION

**Farmers' Satisfaction level with the cattle and buffalo business insurance program (AUTS/K) using Importance Performance Analysis (IPA) method:** After calculating the level of conformity of each attribute, it is known that the one with the highest level of conformity is the implementation dimension with the attribute of AUTS/K premium fee (91.6%) and the smallest is the claim dimension with the attribute of timeliness of claim disbursement (74.1%). Meanwhile, the average level of conformity of all attributes is 83.7%. There are 7 out of 14 attributes that have values above the average value of 83.7%, including the registration dimension with the attribute of ease of AUTS/K registration (83.9%), the implementation dimension with the attribute of risk guarantee provided by the AUTS/K program (87.1%), the amount of AUTS/K premium fee (91.6%), the amount of premium assistance provided by the government (86.1%), and the stakeholder dimension with the attributes of providing registration assistance and claim services by field extension officers from the livestock service office (91.1%), periodic examination of livestock by veterinarians (87.5%), and making death certificate by veterinarians (85.7%). However, in general, the value of the level of conformity is almost close to 100%, indicating that all of these attributes fall into the good category or by the expectations of breeders. Yulianti and Wahdah (2018) in their research say that attributes that have a level of conformity close to 100% and are above the average level of conformity, these attributes have met the expectations of breeders.

Based on the Cartesian diagram, the results of the attributes that fall into the four quadrants are as follows:

Quadrant I: 4 attributes fall into quadrant 1 which are the top priorities, namely the ease of claim submission procedures (6), timeliness of claim approval (7), timeliness of AUTS/K claim disbursement (8),. Field Extension Officer; provide good AUTS/K socialization (9).

Ease of claim submission procedures (6), farmers do not understand what needs to be done first, which makes it difficult for farmers. Farmers who want to submit a claim only contact the head of the farmer group and field officers. This is by the findings of Yunianto *et al.* (2022) which state that some farmers deliberately do not claim insurance for the death of their animals due to previous livestock experiences caused by the process of submitting claims is quite complicated and the compensation funds to the farmers concerned are quite long so that farmers are reluctant to claim insurance.

Timeliness of claim approval (7), the claim approval process takes a long time because the process requires approval from

various parties. Sirajuddin (2022) in his research stated that the process of reporting livestock deaths requires clear written evidence and examination by officers first. This will certainly have an impact on the long claiming period.

The timeliness of claim disbursement (8) is not by what farmers expect, because in reality, the promised time is not on time. This is by research by Heldayanti *et al.* (2022) that the length of the claim fund disbursement process determines whether or not the claim funds can be reused by farmers as capital for the sustainability of their livestock business.

Field Extension Officers (FEO) (9); providing AUTS/K socialization well, the number of field officers is still very limited so information about AUTS/K is not evenly distributed in various regions. Özsayın (2017) in his research stated that the condition of human resources, especially the existing field officers in terms of quantity, is still insufficient considering the vastness of the area and the far-flung location of the farmers, resulting in hampered mobilization between villages due to the limited number of officers.

Quadrant II: The attributes contained in quadrant II need to be maintained, including attributes (1) the requirements to become an AUTS/K participant, (2) the ease of AUTS/K registration, (3) the risk guarantee provided by the AUTS/K program, (10) the provision of registration assistance and claim services by Field Extension Officer, (11) periodic livestock inspection by veterinarians, (12) the preparation of good mortality minutes.

Requirements to become an AUTS/K participant (1), farmers consider the requirements to become an AUTS/K participant to be uncomplicated and considered easy. This is by the opinion of Prasetyo (2022) in his research, which states that based on the requirements that have been imposed, farmers consider that the livestock requirements are easy for farmers to fulfill so that they do not make it difficult for farmers.

Ease of AUTS/K registration (2), farmers consider that AUTS/K registration is not complicated because the data collection to become a participant is assisted by field officers. This is by the opinion of Arsih *et al.* (2021) who stated that for farmers who decide to adopt the program, the registration process will be assisted by officers from related agencies who will collect data and assist prospective AUTS/K participants, making it easier for farmers in the registration process.

With the risk guarantee provided by the AUTS/K program (3), farmers argue that with the risk guarantee, they feel helped because the risk of their cattle business is transferred to the insurance so that farmers are no longer worried. This is by the opinion of Čolović *et al.* (2016) who stated that all risks borne by farmers can be transferred to the insurance of the cattle farming business, as for the risks covered are as follows: death, emergency slaughter due to disease or accident. According to King and Singh (2020), if insured cattle experience death due to disease, accident, birth, or loss, the policyholder can submit a claim to the insurance company.



Field Extension Officers (FEO); provide registration assistance and claim services (10), the overall implementation of cattle business insurance is assisted by field officers. [Prasetyo \(2022\)](#) in his research mentioned that the registration assistance stage was carried out by extension workers by helping farmers fill in the forms provided, as well as claim assistance. This condition is similar to [Bernadine et al. \(2024\)](#) which states that officers are considered responsive in responding to farmers' complaints, especially in emergency conditions in livestock. Farmers are given a contact number by the officer so that they can be easily contacted at any time when needed.

Veterinarians; conducting periodic examinations of livestock (11), the performance of health services from veterinarians in the Kahu sub-district is considered satisfactory. If the insured cattle develop a disease, the officer will report it to the veterinarian for immediate treatment. This is by the findings of [Sumekar et al. \(2021\)](#) that the skills of field officers are good. Field officers, in this case veterinarians, are skilled in assisting farmers with health checks and treatment of sick livestock.

Veterinarians; make a death report or death certificate (12). the attribute of making an obituary shows a positive response, If the insured cattle are affected by disease, the farmer immediately contacts the field officer and reports it to the veterinarian to conduct an examination as soon as possible. [Prasetyo \(2022\)](#) states that farmers who submit a claim contact a veterinarian to conduct an examination and documentation of the dead cow, and then the veterinarian will issue a certificate containing the results of the examination on the dead cow and report to the insurance executor.

Quadrant III: Attributes contained in this quadrant, namely: (13) Insurance officer: provides clear guidance and direction, and attribute (14) Insurance officer: provides information assistance and claim services.

Insurance officer: provides clear guidance and direction (13), Farmers consider the performance of insurance service officers is not too important, but its implementation needs to be improved by the tasks listed in the AUTS/K guidelines. [Geelsya et al. \(2020\)](#) in their research stated that insurance officer must assist in socialization together with the extension workers. Insurance officers also facilitate insurance registration and self-help premium payments. Forms and premiums that have been given to insurance officer officers through extension workers will be processed until the policy and proof of premium payment are issued and submitted to the extension workers to be submitted to the head of the farmer group and the City/District Agriculture Office.

Insurance officer; providing information assistance and claim services (14). Farmers do not place much importance on this attribute, as information and claim services are only provided by field officers. Insurance officers are not involved in assisting, even though insurance officers' task is equally important for the success of the Cattle Business Insurance

(AUTS/K) program. [Ristianti et al. \(2022\)](#) stated that the implementation of this policy requires various elements from the local government, insurance officer, extension workers, and farmers.

Quadrant IV: Two attributes fall into quadrant IV, including (4) the amount of AUTS/K premium fee, and (5) the amount of premium assistance provided by the government. Attributes in quadrant IV indicate attributes that are considered less important by farmers but have been implemented well.

The amount of AUTS/K premium fee (4), farmers who are members of the insurance do not care about the amount of fees paid for cattle coverage because their livestock business is protected. Farmers consider the premium paid to be cheap because they only pay IDR. 40,000/head/year because they are given premium assistance from the government of IDR. 160,000/head/year. The research by [Fauziah et al. \(2022\)](#) states that the willingness to pay registered farmers have realized the importance of participating in insurance and the compensation that will be obtained if farmers insure their cattle.

The amount of premium assistance provided by the government (5). Farmers also do not think about paying this insurance premium if their livestock business is protected from the risk of loss. However, with the premium subsidy from the government, farmers certainly feel greatly helped. This is by [Prasetyo \(2022\)](#) which states that the premium assistance provided by the government (80% of the total premium) helps farmers to pay for the insurance premium. Insurance premiums, so that the costs that must be incurred by the farmers themselves (20% of the total premium) are lower. This makes the insurance program more affordable for farmers.

Based on the results of the Importance Performance Analysis, the attributes that fall into quadrant I, which are attributes that are important but have low performance, are the ease of claim submission procedures (6), timeliness of claim approval (7), timeliness of AUTS/K claim disbursement (8), and provision of socialization by field extension officers (9). While the attributes that are included in quadrant II, which are attributes that show high importance and performance, are the requirements to become an AUTS/K participant (1), the ease of AUTS/K registration (2), the risk guarantee provided by the AUTS/K program (3), the provision of registration assistance and claim services by field extension officers (10), periodic livestock inspection by veterinarians (11), and the preparation of death reports by veterinarians (12). Attributes in quadrant I need to improve their performance, while attributes in quadrant II have shown good performance so they need to be maintained.

**Customer Satisfaction Index (CSI) method:** Based on the results of the Customer Satisfaction Index (CSI), the level of satisfaction of farmers was 82.52%, which is in the range of 0.81-1.00, which means that the level of satisfaction of



farmers with the Cattle Business Insurance (AUTS/K) program is very satisfying. Since it has not reached 100%, it means that there are still attributes that need to be improved. If connected with Importance Performance Analysis (IPA), there are attributes that fall into quadrant I (top priority), namely the timeliness of AUTS/K claim approval, the timeliness of AUTS/K claim disbursement, and the provision of socialization by field extension officers. Therefore, it is necessary to make several efforts that can increase farmers' satisfaction with the AUTS/K program.

**Efforts to increase farmers' satisfaction with the cattle business insurance program:** Based on the results of the Importance Performance Analysis (IPA) in quadrant I, there are several attributes that are considered important by farmers participating in AUTS/K but have not shown good performance so that the attributes in this quadrant need to improve their performance, namely the ease of claim submission procedures (6), timeliness of claim approval (7), timeliness of claim disbursement (8), provision of socialization by field extension officer (9), so it is necessary to make several efforts to increase farmers satisfaction with the Cattle and Buffalo Business Insurance (AUTS/K) programme, the efforts that can be made are as follows:

Improve and simplify the insurance claim process

The attribute of ease of claim submission procedure (6) can be improved by improving and simplifying the insurance claim process. The policy to improve and simplify the insurance claim is necessary for the sustainability of AUTS/K implementation. The research revealed that the claim process, according to the farmers, is quite complicated and takes a long time, which has an impact on the length of time for claim disbursement. Therefore, the insurance claim process needs to be improved. According to the research of [Hamidah et al. \(2021\)](#), the complicated claim submission and claims provided by the government to farmers still need to be improved. Some things that can be done are: 1) provide clear and easy-to-understand guidelines regarding claim steps and required documents; 2) provide assistance services or specialized teams that can assist farmers in the claim process to answer questions and address problems that may arise; 3) reduce the number and complexity of forms that need to be filled out when submitting a claim.

Increase the quantity and quality of government and insurance officer

Delays in the approval and disbursement of claims are caused by the limited number of government and insurance officers responsible for the claims process. So, improving the performance of the timeliness attribute of claim approval (7) and timeliness of claim disbursement (8) can be done by increasing the quantity and quality of government and insurance officers responsible for the claims process. This can be done by 1) through various technical trainings to improve the capacity of the local government and insurance officer in the field, including the handling of the farmers' compensation

claims process. Providing training for relevant staff is useful to improve skills and efficiency in handling claims. This training includes claims procedures so that trained staff can minimize administrative errors and speed up the claim's approval process. 2) coordination between parties, establishing better communication and coordination between the government, insurance officers, and other relevant parties to ensure that everyone understands their roles and responsibilities in the claims process. 3) Increased transparency by opening clear communication channels with policyholders regarding the status of their claims. Transparent information can increase public trust in the insurance system.

**Improving socialization activities:** The attribute of providing socialization by field extension officers (9) is considered to have poor performance, therefore it is necessary to increase socialization activities. Socialization is a process of learning and social interaction that enables individuals to acquire knowledge. By this definition, the purpose of the socialization of cattle business insurance (AUTS/K) is to provide an understanding of the insurance program to the farmer community and to increase their awareness of the benefits of insurance. Based on the research conducted, the socialization activities in the Kahu Sub-district are still limited, one of the factors is the lack of manpower and capacity. Socialization activities are a very important factor in the success of the Cattle Business Insurance Program (AUTS/K). In fact, socialization activities are only conducted during the initial period of insurance registration. This is in line with research by [Ristianti et al. \(2022\)](#) which states that the implementation of socialization was only conducted once at the district level. The socialization activities were attended by farmer group administrators, who were expected to disseminate the information after the socialization. However, the information did not reach the farmers. This has resulted in many farmers not knowing about the program. Farmers only learned about the program by word of mouth, which resulted in incomplete information. This has led to many negative perceptions from the farming community regarding cattle business insurance (AUTS/K). Some efforts that can be made to overcome the problem are: Massive socialization activities of Cattle Business Insurance (AUTS/K) where socialization activities should be held more massively and thoroughly to all farming communities so that farmers understand the benefits of insurance. In addition, education also needs to be provided so that the farmers are interested in the AUTS/K program and the number of farmers participating in the AUTS/K program increases.

**Conclusion:** Farmers' satisfaction level with the Cattle and Buffalo Business Insurance (AUTS/K) programme is highly satisfactory (82.52%). The priority attributes to be improved are the ease of AUTS/K claim submission procedure, timeliness of claim approval, timeliness of claim disbursement, and provision of socialization from Field





Extension Officers. Therefore, there are several efforts that can be made to increase farmers' satisfaction, namely: improve and simplify the insurance claim process, increase the quantity and quality of government staff and insurance officers, and increase socialization activities.

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**SDGs addressed:** No Poverty, Zero Hunger, Decent Work and Economic Growth.

**Policy referred:** Government premium subsidy; Government premium subsidy; Aims to enhance livestock sector resilience; Agricultural development policy promoting productivity, sustainability, and independence in the livestock sector.

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